

**Amendment No. 136 to SB7001**

**Wilder  
Signature of Sponsor**

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

**AMEND Senate Bill No. 7001\***

**House Bill No. 7001**

by deleting subdivision (f)(2) in § 2-10-110 in SECTION 6 of the bill and substituting instead the following:

(2) If a civil penalty lawfully assessed and any lawfully assessed cost attendant thereto are not paid within thirty (30) days after the assessment becomes final, the multicandidate political campaign committee owing such civil penalty shall be prohibited from receiving contributions; making expenditures to support or oppose candidates; or making expenditures to other multicandidate political campaign committees and the treasurer and officers of such delinquent multicandidate political campaign committee shall be prohibited from creating another multicandidate political campaign committee or serving as a treasurer or an officer for another multicandidate political campaign committee until such penalty and all costs attendant thereto are paid in full.

AND FURTHER AMEND by inserting the language “believed to be” immediately preceding the language “a person of high ethical standards” in subdivision (a)(4) of designated section 3-6-103 in SECTION 24.

AND FURTHER AMEND by adding the following language as a new, appropriately designated section:

SECTION\_\_\_. Tennessee Code Annotated, Section 2-10-203(a), is amended by inserting the language “believed to be” immediately preceding the language “persons of high ethical standards”.

AND FURTHER AMEND by deleting subsection (j) of designated section 3-6-103 in SECTION 24 in its entirety and by substituting instead the following language as a new subsection (j):

(j) The provisions of subsection (h) shall be applicable for one (1) year subsequent to the removal, vacancy or termination of the term of office of a member of the commission.

AND FURTHER AMEND by adding the following language after the first sentence in subdivision (a)(2)(A) in § 2-10-107 in Section 4 of the bill:

When a candidate or the treasurer of political campaign committee shows that best efforts have been used to obtain, maintain and submit such information required for contributors, the statement shall be considered in compliance with this subdivision. The registry of election finance shall, by rule, define and set guidelines for what is considered “best efforts”.

AND FURTHER AMEND by adding the following language after the first sentence in subdivision (c)(1)(B) in § 2-10-107 in Section 4 of the bill:

When a candidate or the treasurer of political campaign committee shows that best efforts have been used to obtain, maintain and submit such information required for contributors, the statement shall be considered in compliance with this subdivision. The registry of election finance shall, by rule, define and set guidelines for what is considered “best efforts”.

AND FURTHER AMEND by deleting in subdivision (a)(3) in SECTION 14 of the bill the language “One (1) candidate from the supreme court, court of appeals and criminal court of appeals” and substituting instead the language “One (1) candidate from each of the supreme court, court of appeals and criminal court of appeals”.

AND FURTHER AMEND by deleting Section 3-6-305(b)(10) in Section 33 in its entirety and by substituting instead the following:

(10) Food, refreshments, meals, or beverages that are provided by an employer of a lobbyist in connection with an in-state event to which invitations are extended to a member or members of the general assembly; provided that:

(A) No employer of a lobbyist may provide food, refreshments, meals, or beverages, the value of which to the member exceeds fifty

dollars (\$50.00) per event per day, excluding sales tax and gratuity; nor may such employer of a lobbyist provide any such items to any person pursuant to this subdivision that have a cumulative value of more than one hundred dollars (\$100) during a calendar year;

(B) The value of any such gift may not be reduced below such monetary limitations by dividing the cost of the gift among two (2) or more lobbyists or employers of lobbyists;

(C) The member or members do not receive a per diem allowance pursuant to § 3-1-106, for the day on which the event is held and the member or members do not receive any food, refreshments, meals, or beverages that are provided in connection with the in-state event that are not offered or provided to other nonmembers in attendance at such event;

(D) This exception to the prohibition in subsection (a) extends only to the actual member or members, and their immediate family, who are invited by the employer of the lobbyist; and

(E) No lobbyist, who is authorized to represent the employer or employers paying for the event, shall be permitted to organize, host, attend or otherwise participate in the event; or

AND FURTHER AMEND by deleting SECTION 23 of the bill and substituting instead the following:

SECTION 23. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following as a new, appropriately designated section:

2-10-1\_\_.

(a) Each person or persons who make a disbursement or incur an obligation for the costs of producing or disseminating electioneering communications in an aggregate amount in excess of five thousand dollars (\$5,000) during any calendar year shall, within twenty-four (24)

hours of each disclosure date, file with the registry of election finance, a statement containing the information described in subsection (b).

(b) Each statement disclosing electioneering communications must include:

(1) The identification of the person who made the disbursement, or who incurred the obligation to make a disbursement, and the person's principal place of business if the person is not an individual;

(2) The identification of any person sharing or exercising direction or control over the activities of the person who made the disbursement or incurred the obligation;

(3) The identification of the custodian of books and accounts from which the disbursements were made;

(4) The amount of each disbursement or amount obligated in excess of two hundred dollars (\$200) during the period covered by the statement, the date of the disbursement, or the date the obligation was incurred, and the person who received the funds;

(5) All clearly-identified candidates referred to in the electioneering communication and the elections in which they are candidates;

(6) The disclosure date; and

(7) The name and address of each donor who, since either the first day of the preceding calendar year or since the preceding disclosure date, has donated or pledged to donate in the aggregate one hundred dollars (\$100) or more to the person making the disbursements, or to the separate segregated bank account if the disbursements were paid exclusively from that bank account.

(c) For the purposes of this section:

(1) "Electioneering communication" means any print, broadcast, cable or satellite communication which:

(A) Refers to a clearly identified candidate for state office. An electioneering communication refers to a clearly identified candidate for state office if it contains the candidate's name, nickname or image, or makes any unambiguous reference to the person or such person's status as a candidate; and

(B) Is made within fifty (50) days of an election for the office sought by the candidate.

(2) "Electioneering communication" does not include:

(A) A communication appearing in a news story, commentary, or editorial distributed through the facilities of any broadcasting station, unless such facilities are owned or controlled by any political party, political campaign committee or candidate;

(B) A communication which constitutes an expenditure or an independent expenditure under this chapter; or

(C) Any other communication exempted under such rules as the registry may promulgate to ensure appropriate implementation of this section.

(3) "Disclosure date" means the date on which a person or persons make disbursements or incur obligations for the direct costs of producing and airing electioneering communications aggregating in excess of five thousand dollars (\$5,000). The date of any subsequent disbursement or obligation of any amount shall be a separate disclosure date.

AND FURTHER AMEND by deleting Section 33, § 3-6-303(a)(1)(K), and by substituting instead the following:

(K) \$400,000 or more; provided, however, if the aggregate total amount is reported within this range, then the employer must round such aggregate total amount to the nearest \$50,000 and also report the rounded amount within the disclosure report;

AND FURTHER AMEND by deleting Section 33, § 3-6-303(a)(2)(K), and by substituting instead the following:

(K) \$400,000 or more; provided, however, if the aggregate total amount is reported within this range, then the employer must round such aggregate total amount to the nearest \$50,000 and also report the rounded amount within the disclosure report; and

AND FURTHER AMEND by deleting the amendatory language of SECTION 38, § 3-1-118, and by substituting instead the following:

(a) All meetings of any committee or subcommittee of the general assembly, the leadership of either house of the general assembly, the senate or the house of representatives shall be open to the public. All meetings of any caucus of the general assembly, composed of members of a single political party, shall be open to the public when:

- (1) Legislation is being deliberated by such caucus, or
- (2) A caucus position on legislation is being debated.

Only when considering a matter involving the security of the state or nation or when investigating a proposed Article V impeachment of a public official other than a member of the general assembly, may a meeting be closed to the public, and then only if there is an affirmative vote of at least three fourths (3/4) of the members present. Adequate public notice of every meeting must be provided. No member shall knowingly participate in any meeting conducted in violation of this subsection.

(b) Any citizen of Tennessee may file a sworn complaint, with either the ethics committee of the appropriate house of the general assembly or the Tennessee ethics commission, alleging a violation of subsection (a). The complaint must set forth in simple, concise, and direct statements:

- (1) The name of the complainant;
- (2) The street or mailing address of the complainant;

(3) The name of the committee or subcommittee alleged to have violated subsection (a);

(4) A short and plain statement of the nature of the alleged violation; and

(5) A statement of the facts constituting the alleged violation and the dates on which, or period of time in which, the alleged violation occurred.

The complaint must be accompanied by an affidavit stating that the information contained in the complaint is either correct or that the complainant has good reason to believe and does believe that the violation occurred. If the complaint is based on information and belief, then the complaint shall state the source and basis of the information and belief. The complainant may swear to the facts by oath before a notary public.

Any complaint regarding multiple meetings of the same committee or subcommittee shall be deemed to be a single offense.

All subsection (a) complaints filed with the ethics committee of the senate or house of representatives shall be referred by the committee to the Tennessee ethics commission. The commission shall treat such referred complaints in the same manner as complaints that are filed directly with the commission by a complainant.

(c) If the sworn complaint is filed with or forwarded to the ethics commission, then the commission shall initiate a preliminary investigation to determine if the complaint complies with the requirements of subsection (b). If the commission determines that the complaint does not comply with subsection (b), then the commission shall dismiss the complaint and notify the complainant. In such notification, the commission shall identify with particularity the deficiencies of the complaint. If the commission determines that the complaint does comply with the requirements of subsection (b), then the commission shall refer the complaint to the office of the attorney general and reporter for a preliminary investigation. The commission shall make a probable cause determination after the office of the attorney general and reporter completes its investigation and reports its findings to the commission. Both the alleged

violator and the complainant shall be entitled, upon request, to present evidence before the commission prior to the commission's probable cause determination. The commission shall cause notice that evidence will be presented to the commission to be personally served upon, or sent by return receipt requested mail, to the alleged violator and the complainant. If the commission determines that no probable cause exists to believe that a violation of subsection (a) occurred, then the commission shall dismiss the complaint by issuing a report to the complainant, the alleged violator and the ethics committee of the appropriate house, stating with particularity its reasons for dismissal of the complaint. A complainant may request a hearing upon a determination of no probable cause. If after such hearing the commission determines that there is no probable cause, then the commission may order the complainant to reimburse the alleged violator for any reasonable costs and reasonable attorney fees the alleged violator has incurred. If the commission determines that probable cause exists to believe a violation of subsection (a) occurred, then the commission shall so notify the ethics committee of the appropriate house. If a complaint is filed with or forwarded to the ethics commission while the general assembly is in session, then the commission shall report its probable cause determination to the ethics committee of the appropriate house within fifteen (15) days, unless an extension is granted by the ethics committee.

(d) Any member of the general assembly who commits a violation of subsection (a) shall be subject to reprimand by the ethics committee of the member's house for a first offense. Following the issuance of such a reprimand, if the member subsequently, knowingly and persistently violates subsection (a), then the ethics committee shall recommend suitable and appropriate sanctions for the offending member. Sanctions recommended to the speaker may include, but are not limited to, removal from committee or subcommittee leadership positions, reassignment to other committees or subcommittees, or removal from all committees and subcommittees. Sanctions recommended to the member's house may include, but are not limited to, mandatory ethics training, censure, or expulsion from the senate or house of representatives.



(e) In addition to the remedies set forth elsewhere in this section, any citizen of Tennessee, having knowledge that a committee or subcommittee meeting is presently occurring in violation of subsection (a), may request the appropriate speaker to order the committee or subcommittee to either immediately terminate the meeting or comply with the requirements of subsection (a). At its next scheduled meeting, the speaker shall report to the full chamber findings and actions taken in response to such request.

(f) As used in this section, "meeting" means at least a quorum of the committee or subcommittee is present, and business within the jurisdiction of the committee or subcommittee is being deliberated and decided; and "persistently" means two (2) or more separate and distinct violations committed during the two-year period of the general assembly.

(g) Until such time as the ethics commission is organized and ready to transact business, the registry of campaign finance shall perform all duties assigned to the ethics commission by the provisions of this section.

(h) The 104th general assembly must recognize that the appellate courts of Tennessee, in specifically considering the open meetings law, have unequivocally ruled that Article II, Section 12 of the Constitution of the State of Tennessee prevents this or any other general assembly from statutorily binding a future general assembly on rules of proceedings. Therefore, this general assembly must truthfully acknowledge that the provisions of this section can be legally binding only for the duration of the 104th general assembly. However, each future general assembly is strongly encouraged and vigorously urged to adopt rules incorporating provisions no less open than subsection (a).

AND FURTHER AMEND by adding the following as a new, appropriately designated section:

SECTION \_\_\_. Tennessee Code Annotated, Section 2-10-302, is amended by deleting subsection (b) and substituting instead the following:

(b) No multicandidate political campaign committee shall make contributions to any candidate with respect to any election which, in the aggregate, exceed:

(1) For an office elected by statewide election, two thousand five hundred dollars (\$2,500); and

(2) For any other state or local public office, one thousand dollars (\$1,000).

AND FURTHER AMEND by deleting the language “of each contribution in excess of the following amounts” in subdivision (h)(1)(A) in § 2-10-105 in SECTION 2 of the bill and substituting instead the language “of each contribution that exceeds the following amounts”.

AND FURTHER AMEND by deleting the first sentence of subdivision (h)(2) in § 2-10-105 in SECTION 2 of the bill and substituting instead the following language:

Each report required by this subsection (h) shall be filed by the end of the next business day following the day on which the contribution to be reported is received.

AND FURTHER AMEND by deleting subdivisions (b)(1) and (2) in the amendatory language of SECTION 18 and substituting instead the following language:

(1) A person, including a political campaign committee, that makes or contracts to make independent expenditures aggregating one thousand dollars (\$1,000) or more beginning the thirtieth day before an election and ending election day, shall file a report describing the expenditures by the end of the next business day following the day on which the expenditures to be reported are made or are contracted to be made.

(2) After a person files a report under subdivision (1), the person shall file an additional report after each time the person makes or contracts to make independent expenditures with respect to the same election as that to which the initial report relates by the end of the next business day following the day on which the expenditures to be reported are made or are contracted to be made.

AND FURTHER AMEND by deleting the language “such candidate shall automatically be audited by the registry” in subsection (i) in the amendatory language of SECTION 14 and substituting instead the language “such candidate’s contributions shall automatically be audited by the registry”

AND FURTHER AMEND by deleting the language:

Beginning with the 2006 regular August election, campaign contribution lists shall be made available on the Internet after such candidate has filed such information and the registry has reviewed such statements for accuracy and timeliness.

in subdivision (a)(5) in § 2-10-211 in SECTION 13 of the bill and substituting instead the following:

Beginning with the 2006 regular August election, campaign contribution lists shall be made available on the Internet after such candidate has filed such information, but until the registry has reviewed such statement for accuracy and compliance with the law, the posting shall indicate to the public that it has not be so reviewed.

AND FURTHER AMEND by adding the following language after the first sentence in subdivision § 2-10-114(b)(2)(G) in SECTION 8 of the bill:

The report on which such payments are reflected shall contain a statement describing the nature of the services rendered and the amount of time expended in connection with those services.

AND FURTHER AMEND by deleting the language "imposed by the staff of the registry of election finance" in subdivision § 2-10-110 (a)(1)(C) in SECTION 6 of the bill and substituting instead the language "imposed by the registry of election finance"

AND FURTHER AMEND by deleting the words and punctuation ", business address," from SECTION 33, § 3-6-302(b)(1)(A) and (B) and from § 3-6-302(b)(2)(A) and (B) and by substituting instead the following:

, business address, telephone number,

AND FURTHER AMEND by deleting SECTION 33, § 3-6-301(12), and by substituting instead the following:

(12) "Immediate family" means a spouse, a minor child living in the household, or any other person who is a dependent of the member or spouse for purposes of federal taxation of personal income;

AND FURTHER AMEND by adding the following language as a new, appropriately designated subdivision in subdivision (b)(2) of designed section 3-6-103 in SECTION 24:

(\_) Be employed by any elected officeholder, either in an official capacity or as an individual, or be employed by any business in which an elected officeholder has any direct input concerning employment decisions;

AND FURTHER AMEND by adding the following language as a new, appropriately designated subdivision in subsection (h) of designated section 3-6-103 in SECTION 24:

(\_) Be employed by any elected officeholder, either in an official capacity or as an individual, or be employed by any business in which an elected officeholder has any direct input concerning employment decisions;

AND FURTHER AMEND by inserting the following language immediately preceding the language “that the information contained in the complaint” in the first sentence of designated section 3-6-201(c) in SECTION 25:

, under the penalties of perjury,

AND FURTHER AMEND by deleting the following language from section 3-6-201(b)(7) in SECTION 25:

a list of all documents or other material within the knowledge of the complainant and available to the complainant that are relevant to the allegation but that are not in the possession of the complainant, including the location of the documents, if known  
and by substituting instead the following language:

a list of all documents or other material within the knowledge of the complainant and available to the complainant that are relevant to the allegation and, with respect to any document not in the possession of the complainant, the location of the document, if known

AND FURTHER AMEND by deleting the second sentence of subsection (a) of designated section 3-6-203 in SECTION 25 and by substituting instead the following:

If the commission determines that the sworn complaint does not comply with § 3-6-201 or does not allege or set forth facts which, if true, constitute a violation of a law or rule within the jurisdiction of the commission, then the commission shall dismiss the complaint and notify the complainant and the alleged violator.

AND FURTHER AMEND by inserting the language “or initiation” immediately after the language “after the filing” in subsection (f) of designated section 3-6-201 in SECTION 25.

AND FURTHER AMEND by adding the following language at the end of the amendatory language in SECTION 21 of the bill:

For purposes of this section, the governor shall not be able to receive contributions to repay a loan during any period for which a member of the general assembly is prohibited from receiving contributions to repay a loan.

AND FURTHER AMEND by deleting the last sentence of subsection (b) in designated section 3-6-202 in SECTION 25 and by substituting instead the following language:

If a sworn allegation is made that a member violated this section, then upon a unanimous vote of the remaining members, the member against whom the sworn allegation is made may be suspended from the commission for such purposes and for such times as the remaining members shall unanimously determine, but no such suspension shall extend beyond final disposition of the sworn allegation. The accused member shall not participate in the suspension vote. If a member of the commission is found guilty of or pleads guilty or nolo contendere to a violation of this section, then upon such finding or entry of such plea such member shall be deemed to be removed from office.

AND FURTHER AMEND by deleting subsection (k) in designated § 3-6-103 in SECTION 24 in its entirety and by substituting instead the following language as a new subsection (k):

(k)

(1) Each member of the commission shall before they proceed to business take an oath or affirmation to support the Constitution of this state, and of the United States and the laws of this state and also the following oath: I \_\_\_\_ do solemnly swear (or affirm) that as a member of this commission, I will, in all matters, vote without favor, affection, partiality, or prejudice; and that I will not propose or assent to any action, measure, or resolution which shall appear to me to be contrary to law.

(2) Unless otherwise provided by law, any member of the commission who violates the oath of office for such position or participates in any of the activities prohibited by this chapter commits a Class A misdemeanor. If a sworn allegation is made that a member has violated the oath of office for such position or has participated in any of the activities prohibited by this chapter, then upon a unanimous vote of the remaining members, the member against whom the sworn allegation is made may be suspended from the commission for such purposes and for such times as the remaining members shall unanimously determine, but no such suspension shall extend beyond final disposition of the sworn allegation. The accused member shall not participate in the suspension vote. If a member of the commission is found guilty of or pleads guilty or nolo contendere to a violation of the oath of office for such position or participates in any of the activities prohibited by this chapter, then such member shall be deemed to be removed from office.

AND FURTHER AMEND by deleting subdivision (3) in § 2-10-207 in SECTION 12 of the bill and substituting instead the following:

(3) Issue written advisory opinions concerning compliance with this chapter which may be relied upon without threat of sanction with respect to the issue addressed by the opinion if the candidate or committee conforms such candidate's or committee's conduct to the requirements of the advisory opinion. Such advisory opinions shall be posted on the web site of the registry of election finance;

AND FURTHER AMEND by deleting the first sentence of SECTION 33, § 3-6-302(e), and by substituting instead the following:

By rule, the ethics commission shall establish registration fees for employers of lobbyists and registration fees for lobbyists. Registration fees for employers of lobbyists shall be assessed on a sliding scale basis according to the total number of lobbyists authorized to represent the employer during the registration year or any portion thereof. If an employer is represented by only one lobbyist during the year, and if the employer

pays that lobbyist compensation totaling less than one thousand dollars (\$1,000), then the employer's annual registration fee shall not exceed twenty-five dollars (\$25).

Registration fees for lobbyists shall be assessed on a sliding scale basis according to the total number of employers the lobbyist is authorized to represent during the registration year or any portion thereof. If a lobbyist is authorized to represent only one employer during the year, and if the employer pays that lobbyist compensation totaling less than one thousand dollars (\$1,000), then the lobbyist's annual registration fee shall not exceed twenty-five dollars (\$25). It is the legislative intent that the fees established by the commission shall be in an amount sufficient to cover as much as is reasonably practicable of the expenses incurred by the commission in implementing the provisions of this part.

AND FURTHER AMEND by adding the following as a new, appropriately designated section to the bill:

SECTION \_\_. Tennessee Code Annotated, Title 2, Chapter 10, is amended by adding the following sections as a new part thereto:

2-10-501. This part shall be known and may be cited as the "Voter-Owned Elections Act".

2-10-502. The purpose of this part is to ensure the vitality and fairness of democratic elections in Tennessee, to the end that any eligible citizen of this state can realistically choose to seek and run for public office. It is also the purpose of this act to protect the constitutional rights of voters and candidates from the detrimental effects of increasingly large amounts of money being raised and spent in Tennessee to influence the outcome of elections. It is essential to the public interest that the potential for corruption or the appearance of corruption is minimized, and that the equal and meaningful participation of all citizens in the democratic process is ensured. Accordingly, this act establishes the Tennessee Democracy Fund as an alternative source of campaign financing for candidates who obtain a sufficient number of qualifying contributions from registered voters and who voluntarily accept strict fund-raising and spending limits. This part is available to candidates for the general assembly in elections to be

held in 2008 and thereafter, and to candidates for governor in elections to be held in 2010 and thereafter. Candidates participating in this act must also comply with all other applicable election and campaign laws and rules. The registry of election finance shall administer this act and the Tennessee Democracy Fund.

2-10-503. As used in this part:

(1) "Campaign expenditure" shall not include loan payments, refunds, or contributions made by candidates to other candidates, political campaign committees, or political parties, for purposes of calculating amounts certified candidates receive;

(2) "Certified candidate" means a candidate running for office who chooses to participate in the Voter-Owned Elections Act and who is certified as a Voter-Owned Election Act candidate under § 2-10-505(e) of this part;

(3) "Contested primary election" and "contested general election" mean elections in which there are more candidates than the number to be elected;

(4) "Contribution" and "expenditure" have the same meaning as defined in § 2-10-102;

(5) "Election cycle" comprises the primary, and general election for election to the same term of the same office;

(6) "Fund" means the Tennessee Democracy Fund established in § 2-10-504 of this part;

(7) "Nonparticipating candidate" means a candidate running for governor, state senator, or state representative who does not choose to participate in the Voter-Owned Election Act and who is not seeking to be certified under § 2-10-505(e) of this part;

(8) "Office" means governor, each district seat held by a state senator, or each district seat held by a state representative;

(9) "Participating candidate" means a candidate who is running for office who is seeking to be certified as a Voter-Owned Elections Act candidate under § 2-10-505(e) of this part;



(10) “Qualifying contribution” means a donation of not less than ten dollars (\$10.00) and not more than one hundred dollars (\$100.00) in the form of a check or money order payable to the candidate that is:

(A) Made by any registered voter who resides in a county served by the office the candidate is seeking;

(B) Made during the designated qualifying period and obtained through efforts made with the knowledge and approval of the candidate; and

(C) Acknowledged by a written receipt, on a multicopy form provided by the registry, which identifies the complete name, residence address, and county of residence of the contributor and the amount and date of the contribution made; states that the contributor is a registered voter who resides in a county served by the office being sought by the candidate; states that the contributor authorizes the candidate to use the contribution to qualify to receive campaign funds from the Fund; and is signed by the contributor and the candidate or the candidate’s representative.

“Qualifying contribution” also includes contributions from the candidate’s own funds or those of the candidate’s spouse, parents, brothers, and sisters, in any amount up to an aggregate total of one thousand dollars (\$1,000) for a statewide qualifying candidate and up to an aggregate total of five hundred dollars (\$500.00) for a nonstatewide candidate, but those funds shall not be included in the number of qualifying contributions needed to be certified under § 2-10-505 (e) of this part;

(11) “Excess qualifying contributions” means the qualifying contributions received in excess of a sum to be determined by multiplying the minimum number of qualifying contributions required for that office by the maximum dollar amount allowed for such contributions;

(12) “Qualifying period” means:

(A) For participating candidates for governor the period beginning two-hundred seventy (270) days before the close of the filing period for candidates

running in the primary and ending thirty (30) days after the close of the filing period for candidates running for the primary;

(B) For participating candidates for state senator and state representative, the period beginning one-hundred twenty (120) days before the close of the filing period for candidates running for the primary and ending thirty (30) days after the close of the filing period for candidates for party nomination for the office; and

(13) "Registry" means the registry of election finance.

2-10-504.

(a) The Tennessee Democracy Fund is hereby established to finance the election campaigns of certified candidates for office and to pay administrative and enforcement costs of the registry related to this part. The Fund is a special, dedicated, nonlapsing fund. Any interest generated by the Fund is credited to the Fund. The registry shall administer the Fund.

(b) Money received from the following sources must be deposited in the Fund:

(1) Unspent Fund revenues distributed to any certified candidate who does not remain a candidate until the primary or general election for which they were distributed, or such revenues that remain unspent by a candidate following the date of the primary election or general election for which they were distributed;

(2) Voluntary donations made directly to the Fund; and

(3) Fund monies appropriated for the use of the Democracy Fund by the general assembly pursuant to subsection (c) of this section.

(c) By April 1, 2007, and every two (2) years thereafter, the registry shall prepare and provide to the Senate and House State & Local Government Committees a report documenting, evaluating, and making recommendations relating to the administration, implementation, and enforcement of the Voter-Owned Elections Act. In its report, the registry shall set out the funds received to date, the expected needs of the Fund during

the next election cycle, and the amount of the appropriation from the General Assembly that will be needed.

2-10-505.

(a)

(1) Any individual choosing to participate in the Voter-Owned Elections Act shall first file with the registry a declaration of intent to participate in this part as a candidate for a stated office. The declaration of intent shall be filed with the registry prior to or during the qualifying period, except as provided under subsection (m) of this section, according to forms and procedures developed by the registry. A candidate choosing to participate in the Voter-Owned Elections Act must submit a declaration of intent prior to collecting any qualifying contributions under this part.

(2) A candidate who files a declaration of intent shall swear or affirm that the candidate has complied with and will continue to comply with Voter-Owned Elections Act contribution and expenditure limits and will comply with all other requirements set forth in this part or promulgated by the registry.

(b) After becoming a participating candidate as defined by § 2-10-503 of this part and prior to certification, participating candidates shall not accept contributions, except for qualifying contributions. A participating candidate may expend only from the qualifying contributions raised and shall not use other funds.

(c) Participating candidates must obtain a minimum number of qualifying contributions in order to be certified, as follows:

(1) For a candidate for governor, at least seven thousand (7,000) registered Tennessee voters shall have supported the candidacy by providing a qualifying contribution to that candidate. No more than a third of a candidate's qualifying contributions submitted to the registry for purposes of certification shall come from registered voters who are residents of the same Congressional district;

(2) For a candidate for state senator, at least four hundred (400) registered voters shall have supported the candidacy by providing a qualifying contribution to that candidate; and

(3) For a candidate for state representative, at least two hundred (200) registered voters shall have supported the candidacy by providing a qualifying contribution to that candidate.

No payment, gift, or anything of value shall be given in exchange for a qualifying contribution.

(d) All participating candidates shall report qualifying contributions with the registry at least five (5) business days after the end of the qualifying period in accordance with procedures developed by the registry, except as provided under subsection (m) of this section.

(e) Upon receipt of a final submittal of the record of qualifying contributions by a participating candidate, the registry shall determine whether or not the candidate has:

- (1) Signed and filed a declaration of intent to participate in this part;
- (2) Submitted copies of the appropriate number of forms described in § 2-10-503(10)(C) of this part signed by contributors who are registered voters, which the registry shall verify through a random sample or other means it adopts;
- (3) Qualified as a candidate as provided in the election code;
- (4) Complied with expenditure restrictions; and
- (5) Otherwise met the requirements for participation in this part. The registry shall certify candidates complying with the requirements of this section as soon as possible and no later than five (5) business days after final submittal of qualifying contributions.

Certified candidates shall comply with all requirements of this part after certification and throughout the primary election and general election periods. Failure to do so is a violation of this part subject to civil penalty and other appropriate action by the registry as provided in § 2-10-508 of this part.

(f) After filing a declaration of intent, a candidate shall limit campaign expenditures and debts to the qualifying contributions and the money distributed to the candidate from the Fund, provided that a candidate may accept in-kind contributions from political party executive committees, up to an aggregate value of ten percent (10%) of a candidate's base level of public financing as determined under subsection (h) of this section. All revenues from qualifying contributions, public funds, or in-kind contributions from a political party must be used for campaign-related purposes. The registry shall publish guidelines outlining permissible campaign-related expenditures. For accounting purposes, all qualifying contributions shall be spent before the candidate spends money received from the Fund. A candidate shall return to the Fund any amount that is unspent and uncommitted at the time that person ceases to be a candidate before a primary or general election for which the Fund money was distributed. A candidate shall return to the Fund any amount that was unspent and uncommitted after the date of the primary election or general election for which the Fund money was distributed.

(g) The registry shall distribute to certified candidates revenues from the Fund in amounts determined under subsection (h) of this section, minus any excess qualifying contributions, in the following manner:

(1) Within three (3) business days after certification, for candidates certified before the first Monday in February of the election year, revenues from the Fund as if the candidates are in an uncontested primary election.

(2) Within three (3) business days after certification, for primary election candidates certified on or after the first Monday in February of the election year, revenues from the Fund according to whether the candidate is in a contested or uncontested primary election, reduced by any amounts previously distributed under subdivision (1) of this subsection.

(3) Within the earlier of the following:

(A) Within three (3) business days after the primary election, or;

(B) Within three (3) business days after the certification pursuant to law of the first opposition candidate, for general election certified candidates;

revenues from the Fund according to whether the candidate is in a contested general election. No funds are distributed for uncontested general elections.

Funds may be distributed to certified candidates under this section by any mechanism that is expeditious, ensures accountability, and safeguards the integrity of the Fund.

(h) By March 1, 2007, and no less frequently than every two (2) or four (4) years thereafter, as appropriate, the registry shall determine the amount of funds, rounded to the nearest one hundred dollars (\$100.00), to be distributed to participating candidates based on the type of election and office as follows:

(1) The amount of revenues to be distributed for contested primary elections is the median amount of campaign expenditures made by the candidates who reported campaign expenditures for all contested primary election races for the immediately preceding two (2) primary elections for that office, provided that each of the following shall be considered a separate office for purposes of calculating the average:

(A) Governor;

(B) State Senate; and

(C) State Representative.

(2) The amount of revenues to be distributed for uncontested primary elections is the median amount of campaign expenditures made by the candidates who reported campaign expenditures for all uncontested primary election races, or for contested races if the amount is lower, for the immediately preceding two (2) primary elections for that office as defined in subdivision (1) of this subsection.

(3) The amount of revenues to be distributed for contested general elections is the median amount of campaign expenditures made by all candidates who reported campaign expenditures for contested general election races for the immediately preceding two (2) general elections for that office as defined in subdivision (1) of this subsection.

(4) No revenues shall be distributed for uncontested general elections.

The median for state senate races shall be calculated using all the applicable senate races in the state. The same method shall be used for state representative races. If the immediately preceding two (2) election cycles do not contain sufficient data for the registry to determine the amount to be distributed for an office, the registry shall use data from the most recent applicable elections for that office. If no applicable elections for that office contain sufficient data, the registry shall set an amount based on data from elections for comparable offices.

(i) Any noncertified candidate who has as an opponent with a certified candidate shall report to the registry on the 40th and 20th days before an election a statement of the amount that the noncertified candidate intends to spend for that election, as well as the total amount raised and borrowed to date. Any entity that intends to make independent expenditures to support or oppose a certified candidate shall report to the registry on the 40th and 20th days before an election a statement of the amount that it intends to spend for that election, as well as the total amount raised and borrowed to date. Any noncertified candidate with a certified opponent, or any entity making independent expenditures in support of or opposition to a certified candidate, shall report electronically to the registry within twenty-four (24) hours after the total amount of expenditures or obligations made, or funds raised or borrowed, exceeds the base level of public funding described in subsection (h) of this section. After this 24-hour filing, the noncertified candidate shall comply with an expedited reporting schedule. The schedule and forms for reports required by this subsection shall be made according to procedures developed by the registry.

(j) When any report or group of reports shows that funds in opposition to a certified candidate as described in this subsection exceed the amount described under subsection (h) of this section, the registry shall issue immediately to that certified candidate an additional amount equivalent to the reported excess within the limits set forth in this subsection. Funds in opposition to a certified candidate are equal to the sum of the actual or estimated expenditures or obligations made, or funds raised or borrowed, whichever is greater, by any noncertified opponent of a certified candidate and by all entities making independent expenditures in opposition to the certified candidate or in support of any noncertified opponent of that certified candidate. Total matching funds to a certified candidate in an election are limited to an amount up to two (2) times the amount described in subdivision (1) or (3) of subsection (h), whichever is applicable.

(k) Independent candidates certified pursuant to law before noon on the first Monday in February of the election year shall be eligible for revenues from the Fund in the same amounts and at the same time as uncontested primary election candidates and general election candidates as specified in subsections (g) and (h) of this section. For independent candidates not certified by noon on the first Monday in February, the deadline for filing qualifying contributions is noon on the last Friday in June of the election year. Independent candidates certified after noon on the first Friday in February shall be eligible for revenues from the Fund in the same amounts as general election candidates, as specified in subsections (g) and (h).

(l) Notwithstanding other provisions of law, participating and certified candidates shall report any money collected, all campaign expenditures, obligations, and related activities to the registry according to procedures developed by the registry. Upon the filing of a final report for any losing primary election, special election, or general election, each candidate who has revenues from the Fund remaining unspent shall return all such unspent revenues to the registry. In developing these procedures, the registry shall utilize existing campaign reporting procedures wherever practicable. The registry shall



ensure timely public access to campaign finance data and may utilize electronic means of reporting and storing information.

(m) For races involving special elections, the registry shall establish procedures for qualification, certification, disbursement of Fund revenues, and return of unspent Fund revenues.

(n) The initial decision on an issue concerning qualification, certification, or distribution under this part shall be made by the executive director of the registry. The procedure for challenging that decision is as follows:

(1) A person aggrieved by a certification decision by the executive director of the registry may appeal to the full registry within three (3) business days of the certification decision. The appeal shall be in writing and shall set forth the reasons for the appeal.

(2) Within five (5) business days after an appeal is properly made, and after due notice is given to the parties, the registry shall hold a hearing. The appellant has the burden of providing evidence to demonstrate that the registry's decision was improper. The registry shall rule on the appeal within three (3) business days after the completion of the hearing.

2-10-506.

(a) The registry, with the advice of the Voter-Owned Elections Advisory Council, shall administer the provisions of this part.

(b) There is established under the registry of election finance the Voter-Owned Elections Advisory Council. The Voter-Owned Elections Advisory Council shall advise the registry on the rules and opinions it adopts for the enforcement and administration of this part and on the funding needs of the Democracy Fund. The Voter-Owned Elections Advisory Council shall consist of five (5) members to be appointed by the governor. Appointments shall be made to reflect the broadest possible representation of Tennessee citizens striving to ensure that the commission is composed of members who are diverse in ethnicity, race, gender, geographic residency, heritage, perspective and

experience. The governor shall take into consideration recommendations made by the public and by political and other organizations. No person shall be eligible to be a member of the Council who would be ineligible to serve on a county election commission. The initial members shall be appointed by September 1, 2006. Of the initial appointees, two (2) shall be appointed for one-year terms, two (2) shall be appointed for two-year terms, and one (1) shall be appointed for a three-year term according to random lot. Thereafter, appointees are appointed to serve four-year terms. A person may not serve more than two (2) full terms. The Council shall elect a chair from among its membership. The chair shall serve in that capacity for one (1) year and shall be eligible for reelection. A vacancy during an unexpired term shall be filled in the same manner as the regular appointment for that term, but a vacancy appointment is only for the unexpired portion of the term.

2-10-507. The registry is authorized to promulgate rules and issue opinions to effectuate the purposes of this part. Such rules shall include, but not be limited to, procedures for obtaining qualifying contributions, certification as a Voter-Owned Elections Act candidate, addressing circumstances involving special elections, collection of revenues for the Fund, distribution of Fund revenue to certified candidates, return of unspent Fund disbursements, and compliance with the Voter-Owned Elections Act. The registry shall evaluate qualification thresholds and funding formulas for state senate, state representative, and governor and report those evaluations to the general assembly by April 1, 2007, and every two (2) years thereafter. All such rules and regulations shall be promulgated in accordance with the provisions of Tennessee Code Annotated, Title 4, Chapter 5.

2-10-508.

In addition to any other penalties that may be applicable, any person who violates any provision of this part is subject to a civil penalty of up to ten thousand dollars (\$10,000) per violation. In addition to any fine, for good cause shown, a candidate found in violation of this part may be required to return to the Fund all amounts distributed to the candidate from the Fund. If the registry makes a determination that a violation of this part has occurred, the registry

shall calculate and assess the amount of the civil penalty and shall notify the person who is assessed the civil penalty of the amount that has been assessed. In determining whether or not a candidate is in violation of the expenditure limits of this part, the registry may consider as a mitigating factor any circumstances out of the person's control.

2-10-510. This part shall apply to elections for general assembly in 2008 and thereafter, and to elections for governor in 2010 and thereafter.

2-10-511. The provisions of this part shall not be construed to be an appropriation of funds and no funds shall be obligated or expended pursuant to this part unless such funds are specifically appropriated by the general appropriations act.

AND FURTHER AMEND by adding the following new section immediately preceding the severability clause section and by renumbering the subsequent sections accordingly:

SECTION \_\_\_\_\_. Tennessee Code Annotated, Title 3, Chapter 2, Part 1, is amended by adding the following language as a new section to be designated as follows:

Section 3-2-113.

(a) All votes constituting final action on a bill or resolution by a subcommittee or ad hoc, special or standing committee of the general assembly shall be by roll-call vote. The secretary of such committee or subcommittee shall call the roll and record the member's vote, orally announcing the results of such votes cast on the question.

(b) All roll-call votes taken on the final action of a bill or resolution by a subcommittee or committee of the general assembly or a roll-call vote of the senate or the house of representatives of the general assembly shall be posted in a timely fashion on the Internet through the web site maintained by the general assembly. Such action shall be posted within twenty-four (24) hours of the vote taken on the bill or resolution. The votes shall be posted in such a manner to record the "Aye" and "Nay" votes by name cast on the final action on the question for the bill or resolution.

AND FURTHER AMEND by deleting the following language in § 2-10-211(c) in SECTION 13 of the bill:

Beginning in July 2006, candidates for state public offices and campaign committees, who have contributions or expenditures in excess of one thousand dollars (\$1,000) per reporting period, shall file electronically all reports for any subsequent state elections. Failure to timely file reports electronically may be penalized as provided in § 2-10-110.

AND FURTHER AMEND by adding the following language at the end of § 3-6-103( c)(2) of SECTION 24:

Notwithstanding the foregoing, a nomination to serve on the initial commission shall be made by April 1, 2006.

AND FURTHER AMEND by deleting the semi-colon ";" at the end of SECTION 33, § 3-6-301(7), and by substituting instead the following:

. "Compensation" does not include the salary or reimbursement of an individual whose lobbying is incidental to such person's regular employment;

AND FURTHER AMEND by deleting Section 33, § 3-6-307, and by substituting instead the following:

**§ 3-6-307.**

(a) Notwithstanding any provision of this chapter to the contrary, if a person receives as compensation for lobbying only reimbursement for actual out-of-pocket personal expenses, and if such person receives such reimbursement for five (5) days or less per year, then such person is not a lobbyist for purposes of this chapter or § 67-4-1702(a)(1).

(b) Notwithstanding any provision of this chapter to the contrary, if a person receives as compensation for lobbying only reimbursement for actual out-of-pocket personal expenses, and if such person receives such reimbursement for more than five (5) days per year, then such person shall register as a lobbyist and shall comply with all lobbyist requirements imposed pursuant to this chapter, but shall be exempt from payment of the occupational privilege tax on lobbyists imposed by § 67-4-1702(a)(1).

(c) Notwithstanding any provision of this chapter to the contrary, if an individual or entity employs, retains or otherwise arranges for one or more persons to engage in lobbying for compensation, and if the only compensation paid is reimbursement for actual out-of-pocket personal expenses, and if such reimbursement is not paid for more than five (5) days per person per year, then such individual or entity is not an employer of a lobbyist for purposes of this chapter.

(d) For purposes of this section, the term "out-of-pocket personal expenses" includes such things as the lobbyist registration fee, legislative information services material, copying expenses, transportation costs, parking fees, personal lodging and food expenses incurred while actually engaging in lobbying. Reimbursement for transportation, parking, personal lodging and food costs shall be limited to expenses allowed for such items in the comprehensive state travel regulations. No such reimbursed expenses shall be for the benefit of any public official except for informational materials delivered to public officials.

AND FURTHER AMEND by adding the following language as a new subsection (e) in SECTION 27:

(e) Tennessee Code Annotated, Section 2-10-122, is amended by adding the following language as a new, appropriately designated subdivision:

(\_) "Income held in a retirement or deferred compensation plan" means income that is held in a retirement or deferred compensation plan including, but not limited to:

(1) Individual Retirement Accounts (IRAs), including ROTH IRAs;

(2) Salary reduction simplified employee pension plans

(SARSEP);

(3) Savings incentive match plans for employees (SIMPLE plans);

(4) Cash or deferred arrangements (section 401(k) plans);

(5) HR-10 plans (Keogh plans);

- (6) Employer annuity plans, tax-sheltered annuity plans (403(b) plans), and commercial annuity plans;
- (7) Pension plans;
- (8) Section 501(c)(18)(D) plans; and
- (9) Section 457 plans.

“Income held in a retirement or deferred compensation plan” does not mean stock-option plans;

AND FURTHER AMEND by adding the following language as a new, appropriately designated subsection of SECTION 30:

(\_) Tennessee Code Annotated, Section 2-10-128(a)(1), is further amended by deleting the following language:

This subdivision (a)(1) shall not be construed to require the disclosure of any client list or customer list, nor the address of any investment property.

and by substituting instead the following language:

This subdivision (a)(1) shall not be construed to require the disclosure of any client list or customer list, income held in a retirement or deferred compensation plan as defined in § 2-10-122, nor the address of any investment property.

AND FURTHER AMEND by deleting the following language from subdivision (a)(1) of the undesignated section in SECTION 31:

This subdivision (1) shall not be construed to require the disclosure of any client list or customer list, nor the address of any investment property.

and by substituting instead the following language:

This subdivision (a)(1) shall not be construed to require the disclosure of any client list or customer list, income held in a retirement or deferred compensation plan as defined in § 2-10-122, nor the address of any investment property.

AND FURTHER AMEND by adding the following new section immediately preceding the penultimate section and by renumbering the subsequent sections accordingly:

SECTION \_\_\_\_ Tennessee Code Annotated, Title 2, Chapter 10, Part 3, is amended by adding the following language as a new appropriately designated section:

Section 2-10-3\_\_\_. No multicandidate political campaign committee shall contribute more than twenty thousand dollars (\$20,000) per election to a political campaign committee controlled by a caucus of a political party established by members of either house of the general assembly. As used in this section, the term "multicandidate political campaign committee" does not include a political campaign committee controlled by a political party on the national, state, or local level.

AND FURTHER AMEND by adding the following language at the end of subsection (j) in §3-6-304 in Section 33 of the bill:

No lobbyist shall offer or make any campaign contribution to any political campaign committees controlled by a caucus established by members of either house of the general assembly.

AND FURTHER AMEND By deleting from Section 3-6-304(n) in Section 33 the language "; nor shall any lobbyist serve as a member of the state election commission or any county election commission, however, such prohibition does not apply to a lobbyist serving on an election commission, on the effective date of this subsection, as long as the lobbyist continuously serves as a member of that commission." and by substituting instead the following language:

. A lobbyist serving on a state or local election commission on the effective date of this subsection may serve on such election commission but only for the remainder of such lobbyist's term. In addition, lobbyists who lobby state government who are serving on a state board, commission or governmental entity on the effective date of this subsection may serve as a member of such board, commission or governmental entity but only for the remainder of such lobbyist's term; and lobbyists who lobby local government who are serving on a local board, commission or governmental entity on the effective date of this subsection may serve as a member of such board, commission or governmental entity but only for the remainder of such lobbyist's term.

AND FURTHER AMEND by inserting the following language at the end of subdivision (e)(1) in § 3-6-201 in SECTION 25:

In addition, the commission shall not initiate a complaint during such thirty (30) day period.

AND FURTHER AMEND by deleting following language from subsection (a) of the amendatory language in Section 31:

The governor, any member of the governor's cabinet, cabinet level staff, and such persons' spouses shall report annually to the Tennessee ethics commission prior to April 15 the following information for the prior calendar year

and by substituting instead the following language:

The governor, any member of the governor's cabinet, cabinet level staff, the secretary of state, the comptroller of the treasury, the state treasurer, and such persons' spouses shall report annually to the Tennessee ethics commission prior to April 15 the following information for the prior calendar year

AND FURTHER AMEND by deleting subsection (b)(3) of Section 3-6-305 in Section 33.

AND FURTHER AMEND by deleting section 3-6-306 in its entirety and instead substitute the following:

§ 3-6-306.

(a) Notwithstanding the provisions of any law to the contrary,

(1)

(A) The ethics commission may administratively assess a civil penalty of not more than twenty-five dollars (\$25.00) per day up to a maximum of seven hundred and fifty dollars (\$750.00) if an employer of a lobbyist::

(i) Fails, without good cause, to timely register or to timely update, correct or otherwise modify the employer's registration statement;

(ii) Fails, without good cause, to timely pay registration fee;



(iii) Fails, without good cause, to timely file the employer disclosure report;

(B) The ethics commission may administratively assess a civil penalty, not to exceed ten thousand dollars (\$10,000), if an employer of a lobbyist:

(i) Files information with the commission knowing or having reason to know that such information is inaccurate or incomplete; or

(ii) Utilizes the services of a lobbyist knowing or having reason to know that the lobbyist has not registered or that the lobbyist's registration has expired without renewal or has been rejected, suspended or revoked by the ethics commission; or

(iii) Knowingly violates any provision of §§ 3-6-304 or 3-6-305, provided that for an initial violation of § 3-6-305 the commission may only assess a civil penalty up to two hundred percent (200%) of the value of any gift or twenty-five dollars (\$25.00) whichever is greater.

(2)

(A) The ethics commission may administratively assess a civil penalty of not more than twenty-five dollars (\$25.00) per day up to a maximum of seven hundred and fifty dollars (\$750.00) if a lobbyist:

(i) Fails, without good cause, to timely register or to timely update, correct or otherwise modify the lobbyist's registration statement or

(ii) Fails, without good cause, to timely pay a registration fee.

(B) The ethics commission may administratively assess a civil penalty, not to exceed ten thousand dollars (\$10,000), if a lobbyist:

(i) Files information with the commission knowing or having reason to know that such information is inaccurate or incomplete;

(ii) Engages in lobbying on behalf of an employer knowing or having reason to know that the employer has not registered or that the lobbyist's registration has expired without renewal or has been rejected, suspended or revoked by the ethics commission; or

(iii) Knowingly violates any provision of §§ 3-6-304 or 3-6-305, provided that for an initial violation of § 3-6-305 the commission may only assess a civil penalty up to two hundred percent (200%) of the value of any gift or twenty-five dollars (\$25.00) whichever is greater.

(3) The ethics commission may administratively assess a civil penalty, not to exceed ten thousand dollars (\$10,000), if any candidate for public office, official in the legislative or executive branch, or an immediate family member of such candidate or official knowingly violates any provision of §§ 3-6-304 or 3-6-305, provided that for an initial violation of § 3-6-305 the commission may only assess a civil penalty up to two hundred percent (200%) of the value of any gift or twenty-five dollars (\$25.00) whichever is greater. Additionally, if the commission determines that an egregious violation of either such section has been committed by a member of the general assembly, then it may report its findings and actions to the ethics committee of the appropriate house of the general assembly.

(b) Notwithstanding the provisions of any law to the contrary, the ethics commission may administratively place on probationary status, suspend, reject, or revoke the registration of any lobbyist who knowingly and persistently violates the provisions of this part. As used in this subsection, "persistently" means three (3) or more occasions during a two-year period of any general assembly.

(c) On its Internet site, the ethics commission shall promptly post the names of all employers and lobbyists who are:

(1) Delinquent in filing registration, registration statements or amendments thereto;

(2) Delinquent in filing disclosure reports;

(3) Delinquent in paying registration fees or civil penalties; or

(4) Found to have committed any other violation of this part.

Additionally, the commission shall post the names of all lobbyists having expired, probationary, suspended, rejected, or revoked registration. The commission shall also post the names of any other person found to have knowingly violated any provision of §§ 3-6-304 or 3-6-305.

(d) An intentional violation of this part constitutes a criminal offense and is punishable as a Class C misdemeanor for the first offense, as a Class B misdemeanor for the second offense, and as a Class A misdemeanor for the third and subsequent offenses.

(e) In the chancery court of Davidson County, the ethics commission may seek injunctive relief to prevent any employer of a lobbyist, lobbyist, candidate for public office, official in the legislative or executive branch, or the immediate family of such candidate or official from engaging in any continuing violation of this part.

(f) It is a Class B misdemeanor for any person to file with the ethics commission a sworn complaint, alleging a violation of this part, which is known to be false.

AND FURTHER AMEND by deleting the language “at the time that it certifies its political treasurer” in § 2-10-121 in SECTION 9 and substituting instead the language “within fifteen (15) days of certifying its political treasurer”.

AND FURTHER AMEND by deleting the language “in activities either expressly advocating” wherever it appears in subsection (b) of the undesignated section in SECTION 23 and by substituting instead the language “in activities expressly advocating either”.

AND FURTHER AMEND by deleting the language “their” in subsection (d) of designated section 3-6-304 in SECTION 33 and by substituting instead the language “such candidate’s or official’s”.  
AND FURTHER AMEND by adding the following as a new subdivision to Section 2-10-211(a) in SECTION 13 of the bill:

(6) Promulgate rules and regulations regarding the calculation or allocation of the amount of money a multicandidate political campaign committee shall reimburse a corporation for the administrative cost of the multicandidate political candidate committee.

AND FURTHER AMEND by deleting Section 19 in its entirety and by substituting instead the following:

SECTION 19. Tennessee Code Annotated, Section 2-10-310(a), is amended by deleting subdivision (1) and substituting instead the following:

(1) Except as provided in subdivisions (a)(2) and (3), from January 1 through the earlier of the last day of any regular or extraordinary session or June 1 in odd years, and from January 1 to the earlier of May 15 or the conclusion of any regular or extraordinary session in even years, no member of the general assembly or a member's campaign committee or the governor or the governor's campaign committee shall conduct a fundraiser or solicit or accept contributions for the benefit of the caucus, any caucus member, or member or candidate for the general assembly or governor.

AND FURTHER AMEND by deleting Section 20 in its entirety and by substituting instead the following:

SECTION 20. Tennessee Code Annotated, Section 2-10-310, is amended by deleting subsection (b) and substituting instead the following:

(b) From January 1 through the earlier of the last day of any regular or extraordinary session or June 1 in odd years, and from January 1 to the earlier of May 15 or the conclusion of any regular or extraordinary session in even years, a political campaign committee controlled by a political party on the national, state, or local level or by a caucus of such political party established by members of either house of the general assembly, that makes contributions to a candidate for the general assembly or

governor for election or to defray the expenses of such person's office shall not conduct a fundraiser, solicit or accept contributions for the benefit of the caucus, any caucus member, or candidate for the general assembly or governor.

AND FURTHER AMEND by adding the following new section immediately preceding the penultimate section and by renumbering the subsequent section accordingly:

SECTION \_\_\_\_\_. Tennessee Code Annotated, Title 2, Chapter 10, Part 1, is amended by adding the following language as a new, appropriately designated section:

Section 2-10-1\_\_\_\_. It is an offense for any member of the general assembly to use official stationery or campaign stationery for the purpose of introducing, initiating, delivering, distributing, sending or otherwise conveying a campaign contribution from a multicandidate political campaign committee representing a business entity or from a business entity otherwise permitted to make contributions. For the purposes of this section, any such written communication from a member of the general assembly included with a campaign contribution from such a multicandidate political campaign committee or business entity otherwise permitted to make contributions shall constitute prima facie evidence that such member violated the provisions of this section. A violation of this section is a Class A misdemeanor.

AND FURTHER AMEND by deleting the amendatory language of SECTION 39 in its entirety and by substituting instead the following:

In order to make the expense and mileage information of the members of the general assembly more accessible to the public, the office of legislative administration shall provide each member's expense and mileage information to the office of management information systems. In order to make the expense and mileage information of high-ranking executive officials more accessible to the public, the commissioner of finance and administration shall provide each such executive official's expense and mileage information to the office of management information systems and each constitutional officer shall provide to the office of management information systems

expense and mileage information as appropriate. The office of management information systems shall post on the official web site of the state of Tennessee information for each member provided by the office of legislative administration, for each official provided by the commissioner of finance and administration and for each constitutional officer. The office of management information systems and the office of information resources shall also post descriptive information, approved by the joint legislative services committee and the office of the governor, indicating procedures for obtaining expense and mileage information of the governor, members of the general assembly, the secretary of state, the comptroller of the treasury, the state treasurer, members of the governor's cabinet, and cabinet level staff within the governor's office. Links to such information shall be posted on the home page of the official general assembly web site as well as on the home page of the official web site of the state of Tennessee.

AND FURTHER AMEND by deleting the language "and the law or rule upon which the commission's jurisdiction depends" in subdivision (5) of subsection (b) in designated § 3-6-201 in SECTION 25.

AND FURTHER AMEND by adding the following as a new, appropriately designated section and redesignating the remaining sections accordingly:

SECTION \_\_\_\_\_. Tennessee Code Annotated, Section 2-1-112, is amended by deleting subsection (a) and by substituting instead the following:

(a) Neither an elected official nor an employee of a state, county, municipal or federal governmental body or agency or of an elected official, either in an official capacity or as an individual, or of any business in which an elected official has any direct input concerning the employee's employment may serve as a member of a county election commission or as a member of a county primary board or as an election official. No candidate in an election may act in connection with that election as a member of any board or commission established under this title or as an election official.

AND FURTHER AMEND by adding the following language as a new subsection (e) in designated section 3-6-305 in Section 33:

(e)

(1)

(A) Any person who intends to host an event to which invitations will be extended to a candidate for office, an official in the legislative or executive branch, or immediate family of such candidate or official may request approval of the event by the ethics commission on a form to be prescribed by the commission. The commission shall make the application form available on the commission's web site and shall develop and maintain a system for electronic submission of approval requests.

(B) The commission shall review a request filed pursuant to subdivision (A) and shall determine if attendance at the event by a candidate, official, or any immediate family of such candidate or official is permissible under applicable law and shall notify the person requesting approval of its decision no more than three (3) business days after the commission's receipt of the request. If the commission determines that attendance at the event by such potential invitees is not permissible, then the commission shall specify in the notification the reasons for its denial of the request.

(C) If the commission determines that attendance at the event by a candidate for office, an official in the legislative or executive branch, or immediate family of such candidate or official is permissible, then the commission shall assign the event a unique numerical designation which shall be transmitted to the applicant with the commission's notification of approval and posted on the commission's web site.

(2) The commission may delegate to the commission staff authority to review requests and take appropriate action concerning such requests pursuant to subdivision (1).

AND FURTHER AMEND by adding the following language to SECTION 24, § 3-6-106(a), as a new, appropriately designated subdivision:

(13) Annually prepare and submit to the commissioner of finance and administration estimates of the commission's expenditure requirements for the next fiscal year, in accordance with the provisions of § 9-4-5103, and to simultaneously submit copies of such estimates and related information to the chair of the finance, ways and means committee of the senate and the chair of the finance, ways and means committee of the house of representatives.

AND FURTHER AMEND by deleting § 3-6-309 in Section 33 in its entirety.

AND FURTHER AMEND by adding the following language as a new appropriately designated section:

SECTION \_\_\_\_\_. Tennessee Code Annotated, Title 8, is amended by adding the following language as a new appropriately designated chapter:

Section \_\_\_\_\_. It is the intent of the general assembly that the integrity of the processes of local government be secured and protected from abuse. The general assembly recognizes that holding public office and public employment is a public trust and that citizens of Tennessee are entitled to an ethical, accountable and incorruptible government.

Section \_\_\_\_\_.

(a) As used in this chapter, unless the context otherwise requires:

(1) "Commission" means the Tennessee ethics commission;

(2) "County" means a county, metropolitan or consolidated government, inclusive of any boards, commissions, authorities, corporations or other instrumentalities appointed or created by the



county or an official thereof. Furthermore, for the purpose of this chapter, the county election commission shall be considered an instrumentality of county government and the administrator of elections and other employees of the election commission shall be considered county employees. Likewise, for the purpose of this chapter, the county health department shall be considered a county department and its employees shall be considered county employees. Also, likewise, for purpose of this chapter, utility districts shall be considered a county department and its employees shall be considered county employees;

(3) "Ethical standards" shall include rules and regulations regarding limits on, and/or reasonable and systematic disclosure of, gifts or other things of value received by officials and employees that impact or appear to impact their discretion, and shall include rules and regulations regarding reasonable and systematic disclosure by officials and employees, of their personal interests that impact or appear to impact their discretion. The term "ethical standards" does not include personnel or employment policies or policies or procedures related to operational aspects of governmental entities;

(4) "Municipality" shall mean an incorporated city or town, inclusive of any boards, commissions, authorities, corporations or other instrumentalities appointed or created by the municipality; and

(5) "Officials and employees" means and includes any official, whether elected or appointed, officer, employee or servant, or any member of any board, agency, commission, authority or

corporation (whether compensated or not), or any officer, employee or servant thereof, of a county or municipality.

(b) If a board, commission, authority, corporation or other instrumentality is created by two or more local government entities, such creating entities shall, by amendment to the interlocal agreement or other agreement creating such joint instrumentality, designate the ethical standards that govern the jointly created instrumentality.

(c) For the purpose of this chapter, an utility district that serves an area in two (2) or more counties or municipalities shall be governed by the ethical standards established by the county legislative body of the county in which the largest number of customers are served.

(d) For the purpose of this chapter, a county school board and its employees shall be governed by the ethical standards established by the county legislative body or the governing body of a metropolitan or consolidated government. A municipal school board and its employees shall be governed by the ethical standards established by the municipal governing body. Special school districts shall be considered separate governmental entities and shall be governed by ethical standards established by the board of education of the special school district.

Section \_\_\_\_\_. Not later than June 30, 2007, the governing body of each entity covered by this chapter shall adopt by ordinance or resolution, as appropriate, ethical standards for all officials and employees of such entity. To the extent that an issue covered by an ethical standard is addressed by a law of general application, public law of local application, local option law, or private act, any ethical standard adopted by a governing body shall not be less restrictive than such laws.

Section \_\_\_\_\_. Each entity covered by this chapter shall maintain, for public inspection, the ethical standards of such entity and shall cause a copy of

the adopted standards to be filed with the Tennessee ethics commission. Any amendments or other modifications to the ethical standards shall also be filed with the commission as soon as practical after adoption by the governing body.

Section \_\_\_\_\_. The municipal technical advisory service (MTAS) for municipalities and the county technical assistance service (CTAS) for counties, in order to provide guidance and direction, shall disseminate models of ethical standards for officials and employees of such entities. Such models shall be filed with the commission. Any municipality or county that adopts the ethical standards for officials and employees of local government promulgated by MTAS or CTAS is not required to file such policy with the commission but shall notify the commission in writing that the policy promulgated by MTAS or CTAS was adopted and the date such action was taken.

Section \_\_\_\_\_.

(a) Members of a governing body of an entity covered by this chapter that fails to adopt ethical standards as provided in this chapter shall be subject to removal from office as provided in Tennessee Code Annotated, Title 8, Chapter 47.

(b) Violations of ethical standards by officials or employees of entities covered by this chapter shall be enforced in accordance with provisions of existing law.

AND FURTHER AMEND by deleting subsection (a) in § 3-6-202 in SECTION 25 of the bill and substituting instead the following:

(a) The members and staff of the Tennessee ethics commission shall preserve the confidentiality of all commission proceedings, including records relating to a preliminary investigation. Such records shall be exempt from the Tennessee Public Records Act, compiled in title 10, chapter 7 and shall be confidential until:

(1) The alleged violator requests in writing that such investigation and associated records and meetings be made public;

(2) The commission finds that probable cause exists to believe that a violation has occurred. Upon such determination, the records and proceedings shall be made public on:

(A) The date the public hearing to determine whether a violation has occurred commences; or

(B) The date the commission refers a matter based upon such finding of probable cause; or

(3) The commission determines that no probable cause exists to believe that a violation has occurred. Upon such determination, the records and proceedings shall be made public sixty (60) days after:

(A) The date the report of the commission's finding is issued, if the complainant does not request a probable cause hearing pursuant to §3-6-203(b)(1); or

(B) The date the commission issues its finding of no probable cause from a probable cause hearing.

A member of the commission or a member of the commission staff may acknowledge receipt of a complaint or may disclose information to the extent necessary to successfully pursue an investigation. In no event shall such information against a candidate in any election, as defined in § 2-10-102, be disclosed during the period from thirty (30) days immediately preceding the commencement of voting for such election through election day unless the candidate requests in writing the disclosure of such information.

AND FURTHER AMEND by adding the following language as a new, appropriately designated section to SECTION 25:

**§ 3-6-2\_\_**

(a) An individual who is within the jurisdiction of the commission may file a sworn complaint against any member or employee of the commission alleging a violation of this chapter, including allegations of arbitrary and capricious actions of the commission against such individual. The complaint shall state with specificity such allegation. Such

complaint shall be filed with the speaker of the senate and the speaker of the house of representatives. Each speaker shall, after determining that there are sufficient grounds for review, appoint four (4) members of their respective bodies to a special joint committee which shall investigate the complaint. Two (2) members of the majority party and two (2) members of the minority party shall be appointed to the committee by each speaker. The special joint committee shall appoint a chair and other officers deemed necessary. An affirmative vote of five (5) members of the committee shall be required for any committee action.

(b) If the special joint committee finds insufficient evidence to establish probable cause to believe a violation has occurred, it shall dismiss the complaint.

(c) If, upon completion of its preliminary investigation, the committee finds sufficient evidence to establish probable cause to believe a violation has occurred, the chair thereof shall transmit such findings to the governor who shall convene a meeting of the governor, the speaker of the senate and the speaker of the house of representatives to take such final action on the complaint as they shall deem appropriate consistent with penalties imposed pursuant to this chapter, including recommendations for removing the member or members of the commission from office and declaring the office vacant.

(d) Upon request of a majority of the governor, the speaker of the senate and the speaker of the house of representatives, the special joint committee shall submit a recommendation as to what penalty, if any should be imposed.

AND FURTHER AMEND by deleting the last sentence of subdivision (b)(1) of section 3-6-203 in SECTION 25 beginning "All records and proceedings of the commission".

AND FURTHER AMEND by deleting the language "fifteen (15)" in the first sentence of designated section 3-6-303(a) in SECTION 33 and by substituting instead the language "forty-five (45)".

AND FURTHER AMEND by inserting the following language immediately after the language "or rule making procedure;" in subdivision (15) of designated section 3-6-301 in SECTION 33:

communications by incumbent or prospective contractors or vendors or employees of such contractors or vendors while engaged in selling or marketing to the state or any department or agency of the state by demonstrating or describing goods or services to be provided or by inquiring about specifications, terms, conditions, timing, or similar commercial information;

AND FURTHER AMEND by inserting the following language at the end of subdivision (1) of designated section 3-6-301 in SECTION 33:

provided that "administrative action" does not mean ordinary and routine permitting, licensing and compliance decisions by an official in the executive branch of state government;

AND FURTHER AMEND by adding the following as a new section to the bill:

SECTION \_\_\_\_.

(a) Tennessee Code Annotated, Section 8-31-102(1), is amended by deleting the language "provided, that "governmental entity" does not include any agency or office of the legislative branch;".

(b) Tennessee Code Annotated, Title 8, Chapter 31, is amended by adding the following language as a new, appropriately designated section:

§ 8-31-1\_\_.

(a) The provisions of this chapter shall apply to any division or office within the legislative branch of state government.

(b) The prohibition established by § 8-31-103 shall not be applied retroactively, but shall be adhered to by each division or office within the legislative branch of state government in all hiring and employee transactions subsequent to July 1, 2006.

(c) This section of the bill shall take effect July 1, 2006, the public welfare requiring it.

AND FURTHER AMEND by adding the following language as a new, appropriately designated section immediately preceding the penultimate section and by renumbering subsequent sections accordingly:

Section \_\_\_\_\_. Tennessee Code Annotated, Title 3, Chapter 1, Part 1, is amended by adding the following language as a new section:

**§ 3-6-118.**

(a) A member of the general assembly has a personal interest in legislation if such member has reason to believe or expect that he or she will derive a direct monetary gain or suffer a direct monetary loss by enactment or defeat of a bill or resolution.

(b) A member of the general assembly shall not vote on or influence legislation in committee or on the floor of either house if the member has a personal interest in such bill or resolution, unless he or she states for the record, "It may be considered that I have a degree of personal interest in the subject matter of this legislation, but I declare that my argument and my ultimate vote answer only to my conscience and my obligation to my constituents and the citizens of the state of Tennessee." Alternatively, a member may comply with the requirements of this subsection by:

(1) Stating for the record, "I declare § 3-6-118 regarding this legislation." or

(2) Electronically indicating for the record, via the voting board in the appropriate chamber, any such personal interest regarding legislation before the entire senate or house of representatives.

AND FURTHER AMEND by deleting the following language from the amendatory language of SECTION 19, as amended:

no member of the general assembly or a member's campaign committee or the governor or the governor's campaign committee shall conduct a fundraiser  
and by substituting instead the following language:

no member of the general assembly or the governor or any official appointed by the governor who works in state government or the campaign committees of such individuals shall conduct a fundraiser

AND FURTHER AMEND by adding the following as new, appropriately designated section to the bill:

SECTION \_\_\_\_ Tennessee Code Annotated, Section 3-1-106, is amended by deleting subdivision (b)(1) and substituting instead the following:

(b)

(1) Each member shall only be paid a portion of the expense allowance equal to the allowance granted federal employees for expenditure reimbursement for the Nashville area for actual expenses incurred for each legislative day, which is defined as each day the general assembly, or either house thereof, officially convenes for the transaction of business, or for each day in attendance at any such other meeting as described in subsection (a). Such member shall be required to provide receipts to the office of legislative administration to be reimbursed for such expenses.

AND FURTHER AMEND by adding the following new section immediately preceding the penultimate section and by renumbering the subsequent sections accordingly:

SECTION \_\_\_\_ Beginning April 1, 2006, or as soon thereafter as reasonably practicable consistent with principles of sound planning and efficient use of taxpayer resources, each floor session and committee meeting of the senate or the house of representatives shall be broadcast live over the internet via audio streaming and audio/video streaming. Likewise, it shall also be the goal of the senate and the house of representatives to broadcast live over the internet via audio streaming and audio/video streaming each subcommittee meeting as soon as reasonably practicable consistent with principles of sound planning and efficient use of taxpayer resources.



AND FURTHER AMEND by adding the following language to the end of SECTION 33, § 3-6-304(j):

However, a lobbyist may offer or make a campaign contribution to or on behalf of the state senator for the senatorial district in which the lobbyist is a qualified voter, or the state representative for the representative district in which the lobbyist is a qualified voter, or a candidate for the office of state senator for the senatorial district in which the lobbyist is a qualified voter, or a candidate for the office of state representative for the representative district in which the lobbyist is a qualified voter. A lobbyist is not prohibited from offering or making a contribution to or on behalf of a political party or other organization, unless the contribution is knowingly offered or made to circumvent the provisions of this subsection.

AND FURTHER AMEND by adding the following language to SECTION 30 as a new, appropriately designated subsection:

(f) Tennessee Code Annotated, Section 2-10-128(a)(1), is further amended by deleting the following sentence:

The disclosure shall state the name and address of any entity that provides a source of private income of more than two hundred dollars (\$200).

and by substituting instead the following:

The disclosure shall report the name and address of any individual or entity that provides a source of private income of more than two hundred dollars (\$200); however, if the individual or entity is a lobbying firm or a lobbyist or an employer of a lobbyist, as defined in § 3-6-301, then the disclosure must also indicate the individual or entity's status as a lobbying firm or a lobbyist or an employer of a lobbyist; provided further, however, if the source of private income was paid by a lobbying firm or lobbyist or employer of a lobbyist, as defined in § 3-6-301, to a corporation or other business organization in which the member of the general assembly or the member's spouse owns five percent (5%) or more of the total capital, then the member must also disclose such lobbying firm or lobbyist or

employer of a lobbyist as the source of the private income rather than merely

listing the name of such corporation or business organization.

AND FURTHER AMEND by deleting from SECTION 30, § 2-10-128(a), the language "This subdivision (a)(1) shall not be construed to require disclosure of any client list or customer list," and by substituting instead the following:

This subdivision (a)(1) shall not be construed to require disclosure of any client list or customer list, (however, a client or customer who is a lobbying firm or a lobbyist or an employer of a lobbyist, as defined in § 3-6-301, must be disclosed if required by the preceding sentence),

AND FURTHER AMEND by adding the following as a new section to precede the effective date section:

SECTION \_\_\_\_\_. Tennessee Code Annotated, Title 2, Chapter 10, Part 3, is amended by adding the following as a new, appropriately designated section:

2-10-3\_\_.

(a) The following campaign expenditure limitations shall apply to all candidates for all state elections starting with the 2008 election cycle, whether such candidate is financing such candidate's campaign from contributions, or from the candidate's own resources or that of the candidate's immediate family:

(1) A candidate for governor shall limit campaign expenditures to no more than five million dollars (\$5,000,000) in any two-year election cycle;

(2) A candidate for state senator shall limit campaign expenditures to no more than one hundred fifty thousand dollars (\$150,000) in any two-year election cycle; and

(3) A candidate for state representative shall limit campaign expenditures to no more than seventy-five thousand dollars (\$75,000).

(b)

(1) A related campaign expenditure made on a candidate's behalf shall be considered an expenditure by the candidate on whose behalf it was made.

However, if the expenditure did not exceed fifty dollars (\$50.00), the expenditure shall not be considered an expenditure by the candidate on whose behalf it was made.

(2) For the purposes of this section, a "related campaign expenditure made on the candidate's behalf" means any expenditure intended to promote the election of a specific candidate or group of candidates, or the defeat of an opposing candidate or group of candidates, if intentionally facilitated by, solicited by, or approved by the candidate or the candidate's political campaign committee.

(c) An expenditure made by a political party, or by any political campaign committee that recruits or endorses candidates, that primarily benefits six (6) or fewer candidates who are associated with the political party or political campaign committee making the expenditure, is presumed to be a related campaign expenditure made on behalf of those candidates. An expenditure made by a political party, or by a political committee that recruits or endorses candidates, that substantially benefits more than six (6) candidates and facilitates party or political committee functions, voter turnout, platform promotion, or organizational capacity shall not be presumed to be a related expenditure made on a candidate's behalf. In addition, an expenditure shall not be considered a "related campaign expenditure made on the candidate's behalf" if all of the following apply:

(1) The expenditures were made in connection with a campaign event whose purpose was to provide a group of voters with the opportunity to meet the candidate personally;

(2) The expenditures were made only for refreshments and related supplies that were consumed at that event; and

(3) The amount of the expenditures for the event was less than one hundred dollars (\$100).

(d) A candidate may seek a determination that an expenditure is a related expenditure made on behalf of an opposing candidate by filing a petition with the chancery court of the county in which either candidate resides. Within twenty-four (24) hours of the filing of a petition, the court shall schedule the petition for hearing. Except as to cases the court considers of greater importance, proceedings before the chancery court, as authorized by this section, and appeals therefrom, take precedence on the docket over all cases and shall be assigned for hearing and trial or for argument at the earliest practicable date and expedited in every way. The findings and determination of the court shall be *prima facie* evidence in any proceedings brought for violation of this section.

(e) If a candidate for the office of governor is an incumbent of the office being sought, the candidate shall be permitted to expend only eighty-five percent (85%) of the amount allowed for that office under this section. If a candidate for the general assembly is an incumbent of the office being sought, the candidate shall be permitted to expend only ninety percent (90%) of the amount allowed for that office under this section.

(f) For purposes of this section, the term "candidate" includes the candidate's political campaign committee.

(g) The expenditure limitations in this section shall take effect for the 2008 election cycle. The expenditure limitations contained in this section shall be increased to the nearest dollar amount to reflect the percentage of change in the average consumer price index (all items-city average) as published by the United States department of labor, bureau of labor statistics. Increases shall be rounded up to the nearest one hundred dollar (\$100) amount. Increases shall be effective for the first campaign cycle beginning after the general election held in November 2008. On or before July 1 of each odd-numbered year, the registry of election finance shall calculate and publish the amount of each limitation that will apply to the next election cycle.

(h) The registry of election finance shall adopt rules necessary to administer the provisions of this section.